(c) if so, whether senior officials from Andhra Pradesh Telecom visited East Godavari district;

(d) the details of steps taken since 8th November, 1996 to restore telecom services in East Godavari district in Andhra Pradesh; and

(e) the number of new exchanges in East Godavari district Andhra Pradesh proposed to be opened in 1997-98?

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA): (a) No, Sir.

(b) No, Sir.

(c) Not applicable in view of (b) above. However CGM and other senior officers of Andhra Pradesh Telecom Circle have visited the area.

(d) The details are given in statement (See below).

(e) At present there are no proposals to open new Telephone Exchanges in East Godavari district during 1997-98.

**Statement**

Restoration work was taken up on war footing and stores for restoration were rushed from other parts of the state and also from adjoining states. Special arrangements of stores and funds were made by Telecom HQrs. The development teams were also pressed in service for restoration of the services. To avoid delay in restoration of Trunk Services, Radio Systems were installed in place of overhead Trunk Systems.

**Revival Plan for ITI**

442. SHRI DIPANKAR MUKHERJEE:

SHRI NILOTPAL BASU:

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether Government have under consideration Rs. 500 crore revival pack-age for ITI;

(b) if so,, the details thereof;

(c) whether action has been taken to ensure that ITI is not referred to BIFR and its revival plan is set into motion; and

(d) the cost and time schedule of the revival scheme?

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA): (a) to (d) Various requests from company, in particular, enhancement of Government equity by Rs. 200 crores, grant of soft loan of Rs. 150 crores, financial support for Rs. 27 crores during 1996-97 and Rs. 35 crores per year during the 9th Plan Period for operating Voluntary Retirement Scheme (VRS), refund of expenditure incurred on accounts of R&D activities to the tune of Rs. 15 crores during 1996-97 and Rs 30 crores per year during the first three years of 9th Plan Period, reimbursement on account of social costs, waiver of LD charges have been received.

While Dot have already taken certain steps viz. enhancement of advances against Purchase Orders from 50% to 75% up to 31-3-1997, release of an adhoc amount of Rs. 62 crores on account of liquidated damages and other financial issues, additional orders to ITI during the current year and for the next year, compensating the Company for the losses suffered in running their Srinagar (J&K) Unit, the other proposals of the Company viz. enhancement of equity, grant of long-term soft loan and financial support for VRS and R&D etc. are being examined in consultation with other concerned Ministries/Departments.

Reference to BIFR is mandatory in terms of the provisions of Sec. 23 of the Sick Industrial Companies Act, 1985, if the networth of a company drops below 50% of the *peak* networth during the preceding 4 years. As the networth of ITI has reduced by more than 50% reference to BIFR has been made by the Company.